

Economic Development

"A healthy downtown today is going to be a mix of commercial and residential and the traditional institutional uses like government and churches. The broader the mix, the healthier the downtown."

*Rodney Swink, Executive Director,
NC Main Street Program*



draw people downtown and promote an extended cycle of activity that fosters economic vitality. Economically healthy downtowns contain a mixture of office, retail, entertainment, and residential uses. If each of these "engines" that drive the downtown economy is strong and healthy, a synergy is created by which each component reinforces the others to create a vital, dynamic twenty-four-hour downtown. It is important to understand the unique contributions each component makes to the overall economy. It is also important to realize that the success of each of these components depends, at least in part, upon the successful planning and management of downtown transportation, parking, infrastructure, and livability issues. Additionally, addressing challenges including graffiti, safety issues, and a perceived lack of parking is equally

Components of the Downtown Economy

The mixture of land uses, activities, and attractions defines a downtown's character as a place. These market components

significant towards creating an economically successful downtown.

Entertainment/Cultural: Downtown Asheville is blessed with a wealth of diverse entertainment and cultural options. The Civic Center, Pack Square and City County Plaza, McCormick Field, Pack Place, and the many restaurants, theaters, museums, and galleries contribute enormously to the Downtown economy by creating attractions for visitors, establishing vibrant activity nodes, and attracting additional private investment to the area. The arts are a particularly important asset. The Asheville Art Museum, Downtown's many galleries, performance theaters and the Urban Trail contribute greatly to the region's position as one of the top arts destinations in the country. It is important that entertainment and cultural uses not be isolated from the Downtown core. Rather, they should be integrated into the fabric of Downtown to encourage visitors to support adjacent retail and service businesses.

Offices: Downtown offices provide jobs, tax revenue, and a pool of downtown shoppers and residents. Office workers establish a

strong market for growth in downtown's other economic sectors. Office uses bring people downtown to conduct business, and many stay to shop, eat, and be entertained. Asheville's downtown office sector continues to be strong, housing an estimated 50 percent of all office uses within the City. Downtown's attractiveness as an office location can improve further as the range of Downtown uses expands. A diversity of uses, attractions, and amenities, creating a critical mass of Downtown activity, will make Downtown even more competitive as an office location.

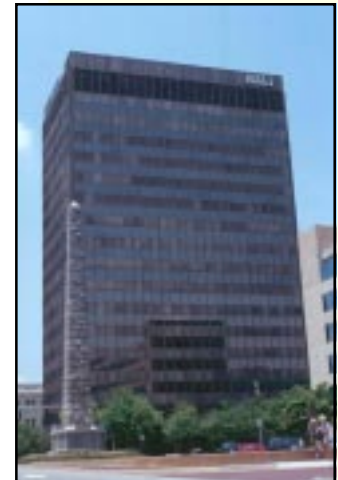
Residential: Downtown housing is paramount to creating a truly vital, optimally healthy downtown environment. Because of its importance to the success of Downtown and the complexity of the issues surrounding it, housing is treated as a major component of the Center City Plan (see Housing on page 36).

Retail: Abundant and varied retail activity is critically important to Downtown's overall sense of vitality. Although Downtown Asheville has experienced a rebirth from a retailing perspective, it has enormous unrealized potential. Downtown has strong poten-

tial to offer a wider variety of service, convenience, and specialty shopping functions. A number of factors favor Downtown retail investment, including the high concentration of office employment in the area, a growing appreciation and desire for urban experiences, an increase in tourist traffic, an increased Downtown residential population, and Downtown's high-quality physical environment.

To capitalize on these favorable conditions, a number of issues must be dealt with effectively. These include increasingly high land costs, transportation issues, parking, and security issues (actual or perceived). Downtown retail investment will flourish as other uses, including office, entertainment, and residential, are more fully developed. There must be a complementary physical relationship between shopping and other active uses. This can be achieved by concentrating a variety of uses within a compact area and by providing strong, attractive pedestrian links (through improved sidewalks and streetscapes) throughout Downtown Asheville.

Tourism: The region's primary tourist destina-

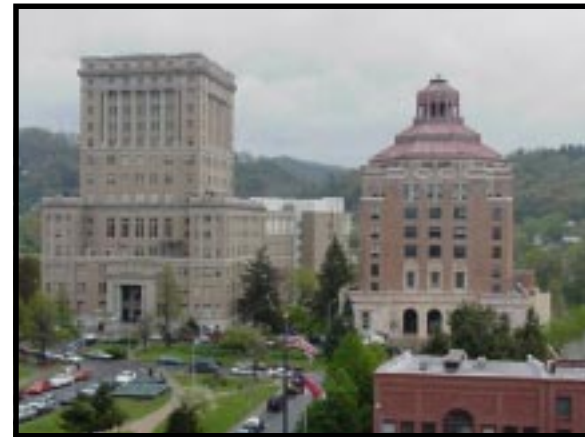


tions continue to be the Biltmore Estate and the various attractions in and around the surrounding mountains. Downtown Asheville, however, has become an additional attraction for many visitors to the region. Tourists are increasingly attracted to high-quality urban environments that offer a variety of shopping experiences, exciting nightlife, superior restaurants, and cultural and entertainment attractions. In order for Downtown Asheville to capitalize on this trend and improve and strengthen its position as a tourist destination, a concerted effort must be made to preserve and enhance existing attractions, develop new attractions, and continually strive to create an interesting and enjoyable visitor experience.

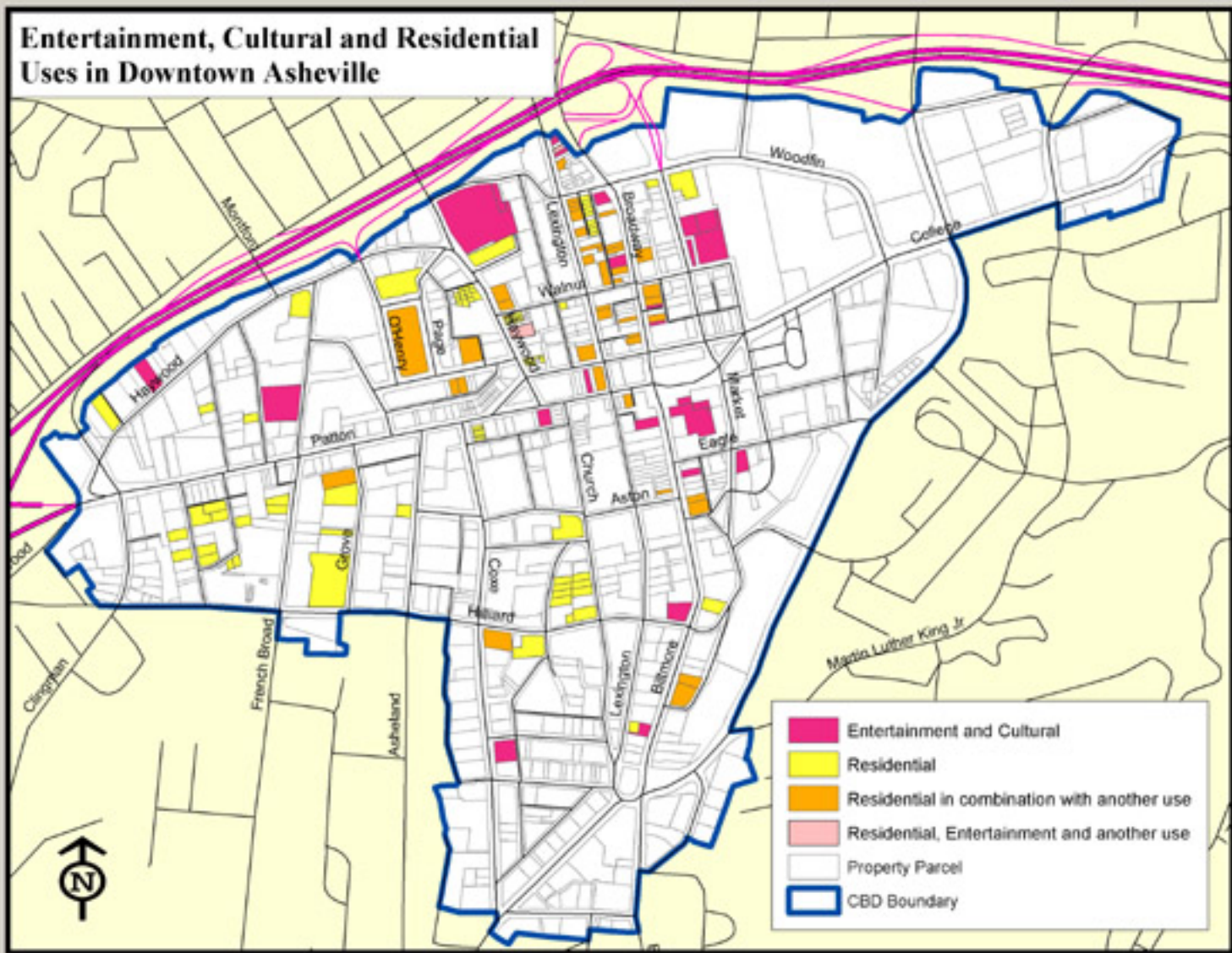
Others: A number of smaller components, or “mini economic engines”, combine to make major contributions to the overall Downtown economy. Among these are the government center, the Asheville Area Chamber of Commerce, Downtown churches, and the nearby medical and educational facilities. Each of these attracts additional people Downtown, many of whom remain to shop, dine, or otherwise support the Downtown economy. Because these components contribute greatly towards the Downtown economy, it is impor-



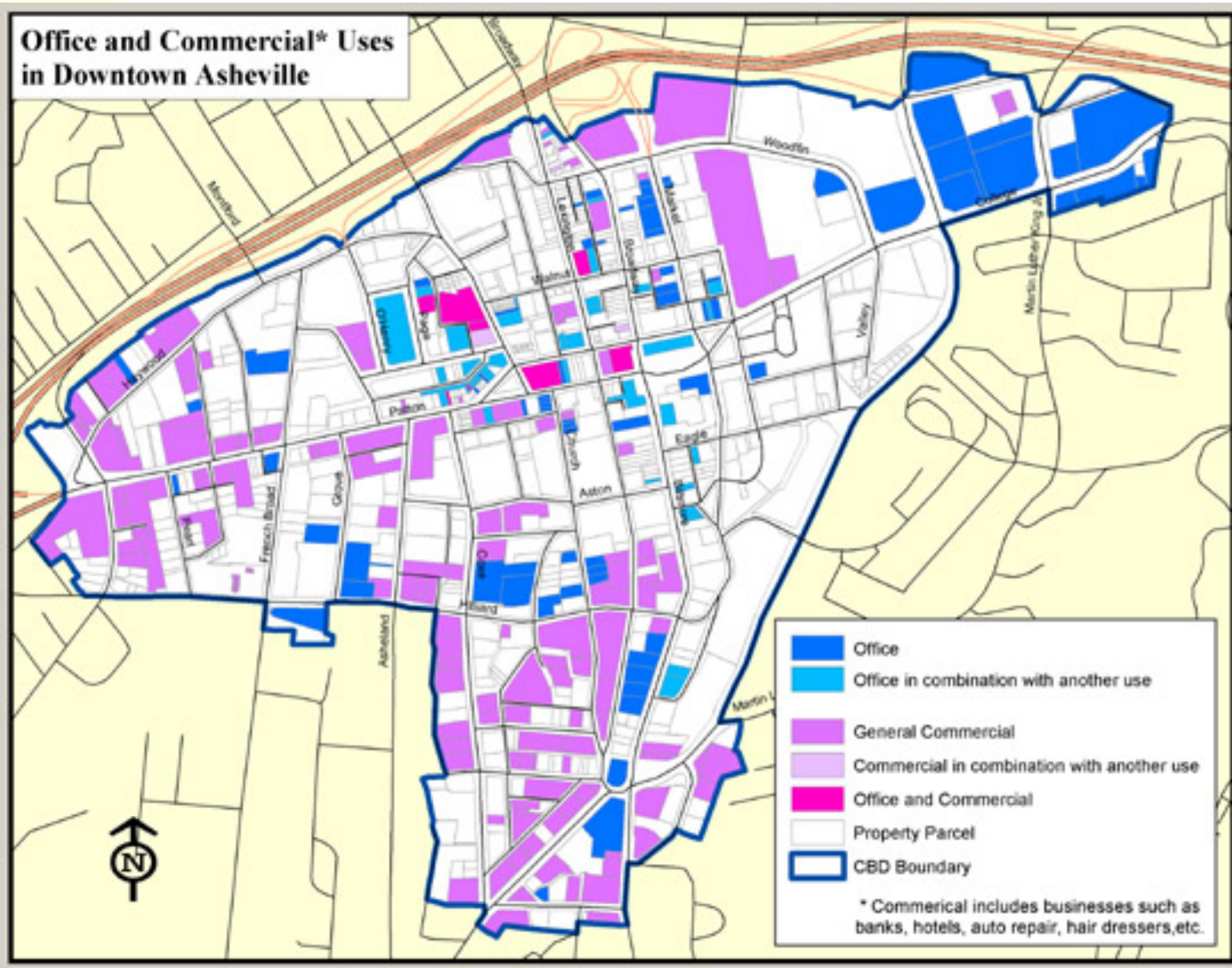
The Public Service Building contains offices of local non-profit agencies and small businesses.

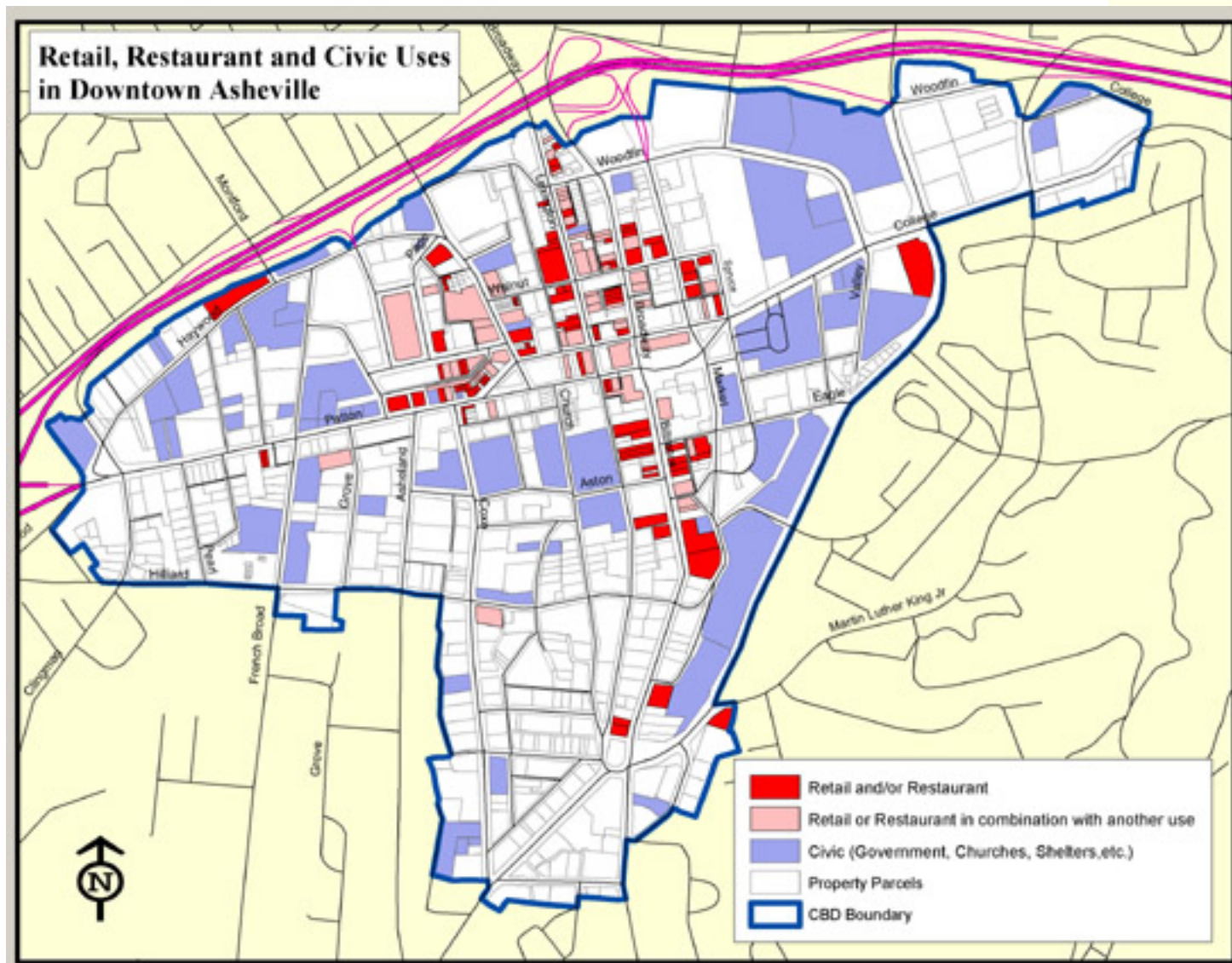


The Buncombe County Courthouse (left) and Asheville City Building (right) are main components of the government center.



Office and Commercial* Uses in Downtown Asheville





tant that they remain located in the Center City.

Missing Elements

The continued economic success of Downtown Asheville will depend on the continued development of a twenty-four-hour city. In order to achieve this vision, it is important to identify elements that are currently missing from the economic development equation. One of the most significant components of creating a vibrant downtown is a diverse mix of housing. Although the low, and to some degree, upper-income housing components are in place, there is a need to encourage and create greater opportunities for the development of moderately priced housing. Ensuring a diverse mix of Downtown housing will increase the presence of residents, thereby creating customers and employees for local businesses and strengthening the perception of Downtown as a safe and secure place to live.

With residents come the services that support them. While the Downtown area has experienced a marked increase in residents in recent years, there still remains a shortage of residen-

tial services. Some of these services include grocery, hardware, and drug stores, and day care services. The presence of these amenities is key to the retention of current residents and is vital to attracting future Downtown housing.

In addition, Asheville must strengthen its position as a destination by developing more entertainment and recreational uses Downtown. The redevelopment of Pack Square and Grove Arcade, along with the restoration of the Thomas Wolfe House, will significantly assist in accomplishing this goal. However, there is a need to provide additional year round quality attractions for residents and visitors. Some possibilities may include adding events that celebrate Asheville's heritage and providing more attractions geared towards families. New areas of open space must be designed and planned to provide gathering places and recreational opportunities for all.

By capitalizing on its quality of life assets and establishing Asheville as a premiere destination in Western North Carolina, Downtown can compete for new high-quality jobs. Asheville's reputation as a desirable community can serve

to attract information technology-related jobs and businesses, such as telecommunications, software development, corporate back offices, environmental technology, and research development. These businesses will benefit the Downtown community by increasing its economic diversity and providing higher paying jobs for its residents.

Importance of “Place” as Economic Catalyst

Creating a diverse range of land uses, activities, and attractions that draw people Downtown is essential to foster economic vitality. But Downtown Asheville’s physical character and sense of place also play key roles in its economic success. The quality of the physical environment, and the way Downtown looks and feels, help determine whether people will choose Downtown over other locations.

If Downtown’s physical environment is welcoming to visitors and promotes pedestrian activity and enjoyment, it will serve as a catalyst for private investment to occur. In a downtown setting, a high-quality physical environment is nearly as important to economic development as is the availability of



A view of College Street sidewalk by Pritchard Park as it was in 2002 and how it is today, with new awnings and outdoor dining.

water, sewer, and streets. Therefore, a pleasing physical environment can be considered to be infrastructure in that it is necessary for maximizing economic vitality. To stimulate maximum private investment, we must continually strive to improve every aspect of the physical environment. Streetscapes, parks and open space, lighting, signage, vehicular and pedestrian circulation patterns, parking, preservation of our historic architectural heritage, and the design of architecturally compatible new structures all contribute to Downtown's unique sense of place.

Improvements in the physical character of Downtown can dramatically improve people's perceptions about and attitudes toward Downtown. In addition to influencing attitudes and perceptions, public investment in the quality of the public realm can leverage private investment. Indeed, recent history has shown that

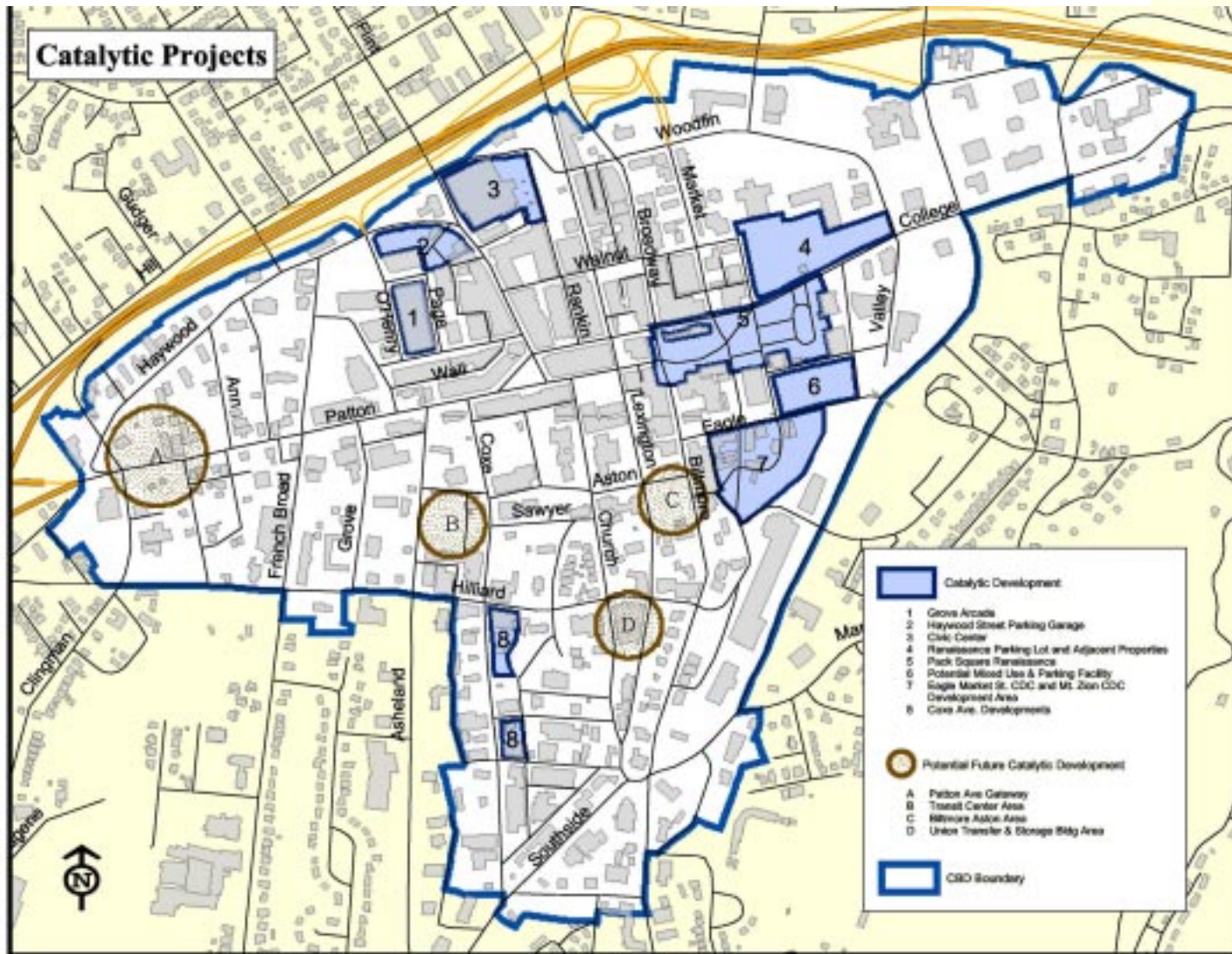
where public sector investments in streetscape, parks, or other urban amenities has occurred, private sector investment has been quick to follow.

Catalytic Projects

Some projects, because of their size, location, or programming, have the potential to stimulate additional investment or provide Downtown with missing uses that are critical to



Current catalytic projects include the renovation of (clockwise from top left) the Sawyer Motor Building, the Club Del Cardo, and the Grove Arcade.



maximizing economic vitality. These projects should receive special recognition and support and should be planned and managed to achieve maximum public benefit.

Catalytic projects currently in the planning and/or development stage include the following:

1) Grove Arcade

The Grove Arcade was built in 1926 to 1929 and housed one of the country's first indoor public markets. Following years of planning, the 269,000 square foot building opened in 2002 with approximately seventy shops and restaurants, 25,000 square feet of office space and forty-seven apartments. The Grove Arcade is the largest mixed-use project to be opened in Downtown Asheville in many years.

2) Battery Hill Parking Facility

The City of Asheville is in the process of developing a 650-space parking structure to serve the Grove Arcade and the surrounding

area. This public/private development project will also include retail, office, and residential uses. Construction is expected to begin in 2004.

3) Civic Center

The Asheville Civic Center is an aging facility that must be upgraded in order to compete with other cities in the region. One proposal for upgrading the facility involves enlarging the existing arena, renovating the Thomas Wolfe Auditorium, constructing a new performing arts center, and developing accessory retail uses.

4) Renaissance Hotel Property

This property, located on the south side of the Renaissance Asheville Hotel, is currently used for surface parking. A number of development opportunities are being considered for this prominent site.

5) Pack Square Renaissance

The Pack Square Conservancy, a private non-profit organization, is spearheading this effort to recreate Pack Square

42 S. Market Street, in the heart of the Eagle/Market Street area, was recently renovated and is now home to the Ritz Club.

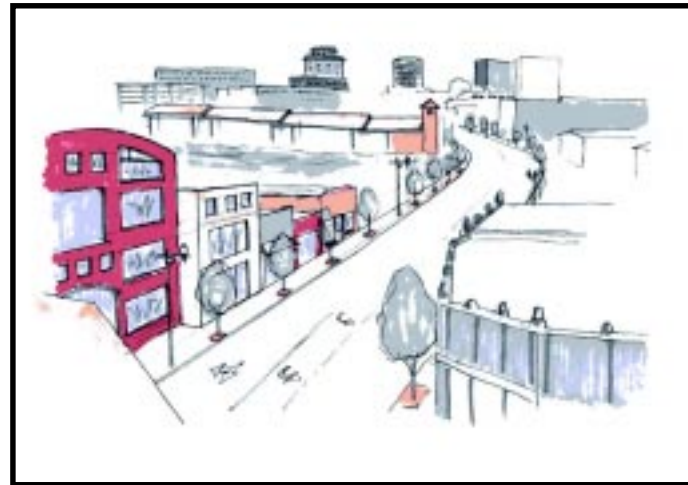


and City-County Plaza into a world-class public space. In addition to providing a quality of life amenity for area residents, the redesign of this important public space is expected to stimulate significant private investment in the surrounding area.

- 6) Potential Mixed Use & Parking Facility
This lot, located south of City Hall, has tremendous potential for a large public/private mixed-use development. The property can support multiple levels of surface parking along with governmental, office, residential, and other uses.

- 7) Eagle Market St. CDC Development Area
The Eagle Market Streets Development Corporation is in the process of acquiring and rehabilitating several buildings in this historically significant area, in accordance with their vision of recapturing the liveliness and economic vitality that the area once enjoyed.

- 8) Coxe Avenue Developments
Several development projects are under-



View of Coxe Avenue as it exists today (above); conceptual drawing of how the corridor could be developed in the future with streetscape and infill improvements (below).

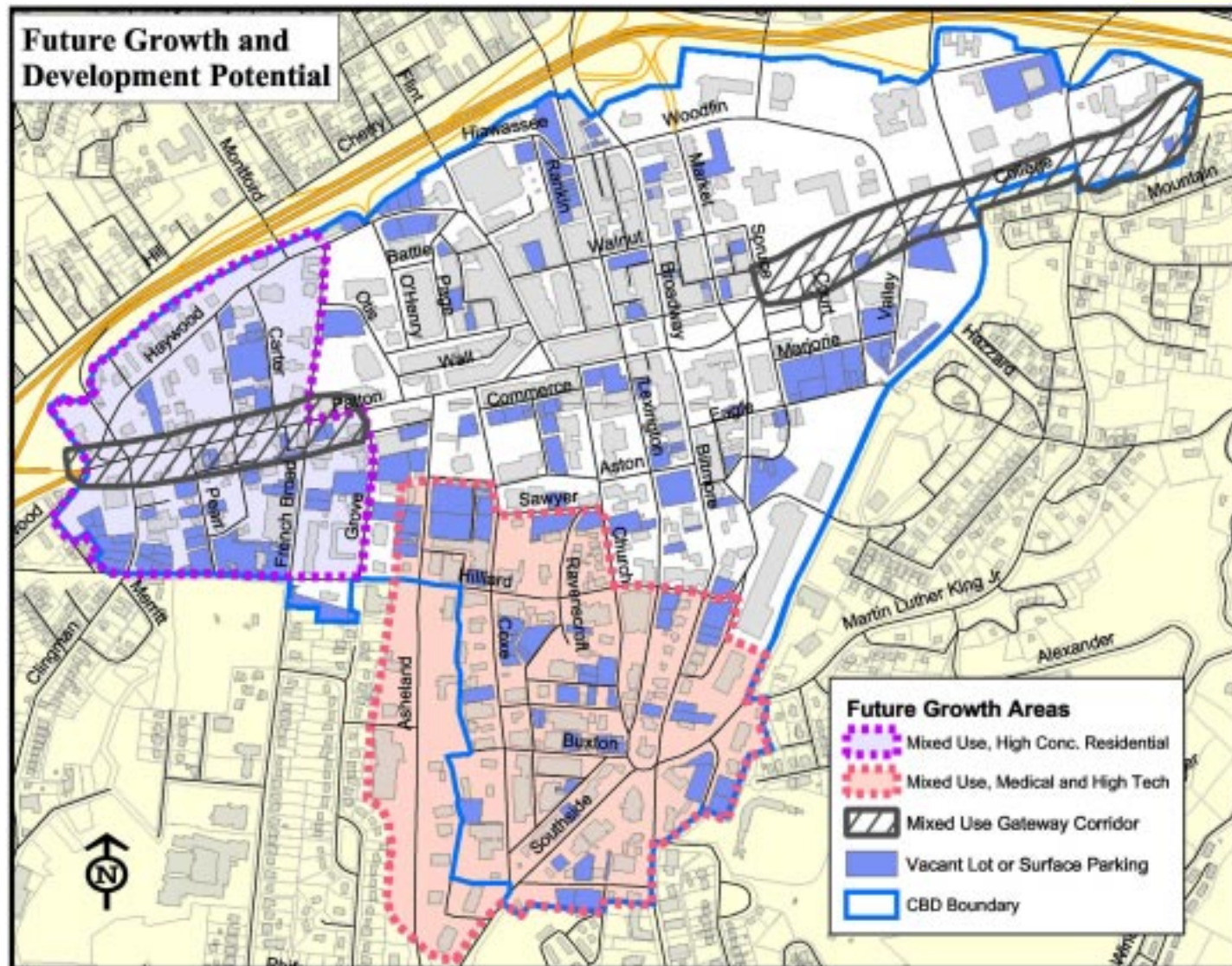
way or planned along Coxe Avenue, including the Sawyer Motor Building project, which will include residential and retail uses. These key development projects are expected to foster additional private investment along the corridor.

It is important to identify areas in which future catalytic projects can be developed. These areas include the western “gateway” of Patton Avenue, the area adjacent to the transit center, the Buncombe County-owned property currently used by Union Transfer & Storage Company, and the property at the corner of Biltmore Avenue and Aston.

Future Growth & Development Opportunities

Far from static, downtowns are dynamic, constantly evolving urban districts. Downtown Asheville must continue to grow and the intensity of use found at its core must expand into adjacent areas. It is important to identify locations where Downtown growth can and should occur and to develop strategies that ensure that this growth is consistent with and

contributes to the overall vision of the Center City. The first priority should be to fill the existing gaps in the fabric of the traditional Downtown core. Even relatively small gaps in the continuity of buildings edging the street can have a detrimental impact on pedestrian flow and the integration of uses. Opportunities still exist for the preservation and reuse of existing historic buildings and other structures within the core. Additionally, there are locations within the Downtown core where infill buildings are appropriate and desirable. Outside the Downtown core, opportunities abound for both new construction and the preservation and reuse of existing buildings. It is also important to recognize and support the growth opportunities in areas surrounding Downtown, including the riverfront and the West End/Clingman Avenue (WECAN) neighborhood. Redevelopment in these areas will have a strong, positive impact on Downtown, particularly if the linkages between them and Downtown are strengthened. As Downtown Asheville continues to prosper, it is critical that future growth occurs in a manner that is compatible with and complementary to the existing Downtown core. The sections in this



Plan dealing with land use and design/appearance provide guidance for ensuring this compatibility.

Public/Private Economic Development Model:

The public and private sectors have a shared interest in Downtown economic development. Therefore, public/private partnership and cooperation is essential for maximizing the success of economic development efforts. In the past, Downtown developers and business owners have responded quickly and positively to public sector projects that include: Pack Place, Pack Plaza, Pritchard Park, public parking facilities, and various streetscape efforts.

Developing a clear plan of action that is supported by both the public and private sectors is critical. The public sector can foster private investment by providing infrastructure and amenities, managing traffic, parking and public safety, marketing Downtown as an attractive location, and ensuring that public policies and regulations are streamlined, user friendly and geared toward encouraging Downtown development. Increasingly, the

public sector role has expanded to that of co-developer in key economic development projects. Local examples of this model include the Grove Arcade, the parking deck adjacent to the arcade (which will include private development opportunities) and the Civic Center. Public sector entrepreneurship is often necessary in developing large catalytic projects or in providing desirable uses that are missing from the Downtown economy. Public sector participation in these projects can help overcome the financial disincentives that limit private sector profitability.

Vision, Goals, and Strategies

Vision: Downtown Asheville will be the dominant economic, social, cultural, and symbolic center of the Western North Carolina region. The Center City will be the focal point of office and retail development and the center of banking, finance, government, and employment. Its many attractions and unique character will make Downtown an exciting and primary destination for visitors. A large and diverse residential population will support the various components of the Downtown economy and labor force, contributing towards a vibrant twenty-four-hour community. Downtown will provide high-paying jobs, an attractive environment, an efficient use of resources, and an increased tax base, making it a model of Smart Growth.

Goal I: Attract a diverse range of new businesses and uses to ensure a balanced and lively Downtown marketplace.

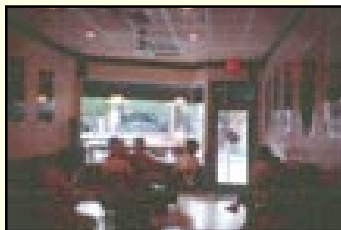
Strategies:

1. Analyze the use of Downtown space to identify all missing or under-served func-

tions (these may include services for local residents, high-tech/knowledge-based businesses, and family-oriented activities and attractions).

2. Develop partnerships and strategies aimed at recruiting targeted uses that fill niches in the Downtown economy and job base.
 - a. Actively pursue the creation of new incentives and other economic development “tools” available for business recruitment.
 - b. Assist the private sector in land assemblage and/or use publicly-owned property suitable for targeted uses and make them available at favorable rates.
 - c. Provide targeted uses as a component of public/private catalytic development projects.
 - d. Develop marketing products specifically aimed at attracting targeted uses.
3. Identify, encourage and support opportunities for new development in Downtown.
 - a. Identify under-utilized parcels of land and facilitate or encourage their development. These tend to be vacant lots, surface parking lots or properties where





- the value of the land is higher than the value of any buildings or other improvements.
- b. Develop a long-range plan for City- and County-owned properties and when appropriate, use them for economic development or public/private catalytic projects.
 - c. Explore the creation of a City Land Bank Program to assemble properties for development (land assemblage is often a barrier to downtown development).
 - i. Land Bank program should be a logical extension of long range plan for publicly owned land.
 - ii. Bring together a public-private team to examine other Land Bank models from around the country and develop a local model.
 - d. Ensure adequate infrastructure for future development.
 - e. Continue to encourage/promote mixed-use development in order to maximize development opportunities.
 - f. Develop strategic plans for areas with particularly strong development potential.
 - g. Support ongoing and future catalytic projects.
 - i. Educate the public as to how these projects benefit all city residents by stimulating additional development and create tax revenue for the City.
 - ii. Provide streetscape and infrastructure improvements where needed for development.
 - iii. Land bank/assemble properties to secure future development opportunities.
4. Provide an improved level of services for Downtown developers, investors, and business owners.
 - a. Provide an enhanced one-stop information center in the City Development office, with information concerning incentives, demographics, the downtown economy, and real estate.
 - b. Provide a listing of available property.
 - c. Serve as a link between the public and realtors, providing appropriate information.
 - d. Track Downtown data including business creation, jobs, development.

- e. Educate and assist property owners, developers, and architects regarding City policies, regulations, permitting processes, and design guidelines.
 - f. Continue to streamline the permitting process.
 - g. Improve coordination and communication regarding public infrastructure projects.
5. Encourage the development of a comprehensive marketing program highlighting Downtown's unique assets and strengths as a business location and a tourist, shopping, and entertainment destination.
 6. Increase and diversify Downtown's residential population to expand the market for Downtown businesses (See Housing on page 36).

Goal II: Actively work to retain existing Downtown businesses and foster their continued success and growth.

Strategies:

1. Develop/provide new methods to retain

existing businesses and to support their expansion.

- a. Storefront improvement grants/loans.
 - b. Expansion loans.
 - c. Use of Community Development Block Grant (CDBG) funds where appropriate for job creation.
 - d. Provide an improved level of services for Downtown developers, investors and business owners (see strategy 3 under goal # 1).
 - e. Investigate and lobby for the passage of state enabling legislation, including tax abatement programs and tax increment financing.
2. Improve relations between the City and Downtown merchants and property owners.
 - a. Analyze City policies, regulations, fees, and permitting processes to identify potential changes, which would result in increased business friendliness.
 - b. Coordinate public construction projects to minimize business disruption and public inconvenience.
 - c. Create an improved mechanism to notify businesses about City services, infrastructure improvements, and large





construction projects.

- d. Hold periodic Downtown neighborhood meetings to identify and partner in resolving Downtown issues.
3. Develop a long range parking plan and policies for the Downtown area.
 - a. Address future parking needs.
 - b. Reduce the demand for parking by promoting other transportation options.
 - c. Address loading issues, and pursue shared parking options.
 - d. Accelerate the development of strategically located parking decks.
 - e. Continue public relations about parking decks and rates.
 - f. Utilize public parking to carry out overall Downtown policy rather than simply as a revenue source.
 4. Maintain and improve overall Downtown livability to encourage business retention (see Goal IV).
 5. Business and property owners should seek creative opportunities to fund downtown improvements (beyond what the City would

ordinarily provide), which will enhance business viability.

Goal III: Ensure adequate infrastructure for current and future development.

Strategies:

1. Work with infrastructure providers to develop comprehensive Infrastructure Improvements Plan for Downtown.
 - a. Assess existing and future infrastructure needs.
 - b. Identify necessary infrastructure upgrades and prioritize improvements.
 - c. Seek opportunities for public/private partnerships to fund improvements.
2. Improve coordination and communication between City departments and utility providers regarding infrastructure requirements and planned improvements.

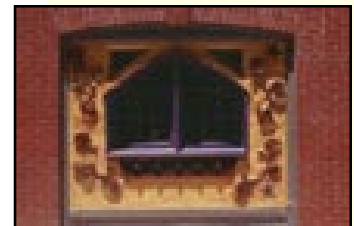
Goal IV: Reinforce Downtown's status as a premier destination on par with other local attractions.

Strategies:

1. Encourage the development of a comprehensive marketing campaign, promoting Downtown as a destination for tourists and area residents.
 - a. Develop partnership with the Chamber of Commerce, the Asheville Downtown Association, the City, and others to create and sustain marketing efforts.
 - b. Ensure that Downtown is prominently featured in state and regional marketing efforts.
 - c. Emphasize the wide variety and diversity of Downtown attractions, thereby encouraging single destination shoppers and visitors to become multi-destination shoppers and visitors.
2. Actively work to retain and strengthen existing Downtown attractions such as the Civic Center, Thomas Wolfe Auditorium, and Pack Place.
3. Renovate and upgrade the Asheville Civic Center in its present location and pursue the development of an adjacent performing arts center.
4. Encourage the development of new tourism

products, including attractions that are geared toward families.

- a. Assemble key partners including the Asheville Downtown Association, Tourism Development Authority (TDA), the City, and the County to identify opportunities for new Downtown attractions.
 - b. Attract tour company to provide tours of “Historic Downtown Asheville” by trolley, van, or other.
 - c. Include kid friendly designs at Pack Square and other parks and public spaces.
5. Develop a Park Once and Wayfinding program, which enables visitors to quickly identify a parking facility and, using a system of color-coded directional signage, easily walk to any Downtown destination (see Transportation on page 72).
 - a. Coordinate with marketing campaign and brochures.
 - b. Integrate program with subdistricts (See subdistricts on page 61).
 6. Improve connections and accessibility within Downtown and to surrounding





neighborhoods and destinations.

- a. Create a Downtown shuttle that circulates around Downtown, providing easy access to parking areas, offices, shopping, and dining destinations and government buildings.
- b. Increase transit frequency to and from Downtown.
- c. Improve multi-modal connections to the River and Biltmore Village.
- d. Accelerate the development of strategically located parking decks.

7. Promote and strengthen Downtown as an “arts and entertainment district,” showcasing the rich variety of cultural and entertainment amenities.

- a. Include arts emphasis in marketing campaigns and brochures.
- b. Encourage coordination of efforts between the Arts Council, the Public Art Board, and other related organizations.
- c. Continue ongoing programs that support the arts and garner corporate support.

8. Strengthen and continue to create a strong,

positive identity and sense of place that will naturally draw visitors and local residents alike (see Physical Environment on page 46).

Goal V: Preserve and enhance the quality and character of Downtown’s physical and social environment.

Strategies:

1. Preserve and protect Downtown’s wealth of historic buildings (see Design & Appearance: Historic Preservation on page 49).
2. Encourage high quality compatible design in new construction projects (see Design & Appearance: New Construction on page 50).
3. Strengthen the pedestrian experience.
 - a. Continue to develop quality streetscape amenities.
 - b. Repair or construct new sidewalks where needed.
 - c. Promote pedestrian right-of-way education by designating Downtown as a Pedestrian Friendly Zone and accompanying signage.
 - d. Improve pedestrian circulation patterns,

particularly with respect to street crossings.

4. Business and property owners should seek creative opportunities to fund Downtown improvements (beyond what the City would ordinarily provide) that will enhance appearance, cleanliness, and safety.
5. Create public-private partnerships and support existing efforts to manage ongoing Downtown social issues, including graffiti, vandalism, loitering, and panhandling.
6. Continue to develop quality open space and parks (see Public Spaces: Parks on page 55).

Goal VI: Increase cooperation and communication between organizations involved in Downtown economic development.

Strategies:

1. Form a committee comprised of representatives from various agencies and organizations to focus on Downtown economic development efforts.
 - a. Identify areas of responsibility to elimi-

nate duplication of efforts.

- b. Implement Economic Development section of the Center City Plan.
2. Analyze all publicly owned property for appropriate use to maximize benefits to both the public and private sectors.
 - a. Locate public sector facilities in existing City-County complex area to minimize impact and maximize efficiency.
 - b. Look for “joint use” opportunities for public sector facilities.
 - c. Transfer public sector properties that are better suited for private development into private ownership and under appropriate development.
3. Encourage the State and Federal governments to adopt and implement policies to locate State and Federal offices Downtown.